Taxes on FPI

†1117. SHRI RAVI SHANKAR PRASAD:

SHRI RAM JETHMALANI:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that different types of taxes at different levels have been levied by the Central as well as State Governments on the food-processing industry;

(b) if so, the names and the extent of taxes levied by Central and State Governments on the said industry during the year 2005-06;

(c) whether it is a fact that the prices of finished goods as well as the collection of taxes also increased with the increase in the prices of raw-materials in food processing industry; and

(d) if so, whether Government would take steps to check the rise in the prices due to the taxes?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (d) It is a fact that different type of taxes at different levels are levied by the Central as well as State Governments on the Food Processing Industries. Taxation is a part of the overall fiscal policy of the Central and the State Govts, and is determined based on overall consideration.

MNCs in the food processing industry

†1118. SHRI RAJ MOHINDER SINGH MAJITHA:

SHRI RAVI SHANKAR PRASAD:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that MNCs are working with small scale industries and cottage industries in the food processing industry in the country,

(b) if so, the facts in this regard;

(c) the estimated percentage of the production by the units of these three sectors out of the total production of the country; and

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†Original notice of the question was received in Hindi.

(d) which sector out of the said three sectors is likely to become the most developed sector?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (d) Based on employment, entire industrial sector including food processing industries can be broadly classified as organized and unorganized sectors. In terms of gross output, share of the unorganized sector is 23.23% as against 76.77% contributed by the organized sector. Hundred per cent Foreign Direct Investment is permitted in the food processing sector except in the cases of food retailing, plantation and alcholic beverages. Accordingly some MNCs have set up their units for manufacturing of processed food. However the requisite details about MNCs working with Small Scale & Cottage Industries are not centrally maintained in the Ministry.

New format for FPI and agriculture based trade

†1119. SHRI P.K. MAHESHWARI: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether a new format has been prepared with regard to the food-processing policy and strategy for promotion of agriculture based trade;

(b) if so, what are the details of the new format; and

(c) what effective steps are being taken to ensuer adequate availability of raw materials and keep their prices stable?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (c) Recently Government had asked M/s Rabo India Finance Private Limited to study *inter alia* the constraints faced by Food Processing Sector and suggest strategies to overcome the same. As per their report, major constraints being faced by food processing sector are inadequate infrastructural facilities, lack of adequate quality control & testing infrastructure, inefficient supply chain, lack of processable varieties of farm produce, seasonality or raw material, high inventory carrying cost, lack of easy and concessional credit/lending by banks, high taxation, high packaging cost, affordability, cultural preference of fresh food etc. In order to address these constraints, a draft National Policy for Food Processing has been prepared. Meanwhile in order to give boost to growth

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